# Analysis and Summary of Community Development Block Grant Disaster Recovery (CDBG-DR) Program Allocation Plan

Joint Hearing of Committees on Appropriations, Commerce, Housing, and Public Health

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## OFFICE OF FISCAL ANALYSIS

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### Introduction

The Community Development Block Grant- Disaster Recovery Program (CDBG-DR) is administered by the United States Department of Housing and Urban Development (HUD). The primary objective of the program is to provide financial assistance to communities most impacted by Hurricane Sandy and certain other natural disasters.

At the state level, the Department of Housing (DOH) will administer the funds provided through the CDBG Disaster Recovery Program.

#### **Federal Allocation Process**

Public Law 113-2, the Disaster Relief Appropriations Act, appropriated approximately \$60 billion for recovery efforts, of which approximately \$16 billion is designated for the CDBG-DR program. This funding will be distributed in three parts (referred to as the first, second, and third tranche). First tranche funding totals \$5.4 billion, of which \$71.8 million will be allocated to Connecticut. The first tranche funding will focus on housing rehabilitation and redevelopment and economic revitalization, while second tranche funds are anticipated to target various natural disasters occurring in 2011, 2012, and 2013 other than Hurricane Sandy. The third tranche funds (likely the largest of the allocations) are expected to primarily focus on unmet infrastructure, public facility and mitigation needs.

### **State Allocation Process**

The proposed plan assumes first tranche funding for Connecticut of \$71.8 million. Specific allocation requirements include:

- 1. Funds must be expended in Fairfield County, New Haven County, Middlesex County, New London County, and the Mashantucket Pequot Indian Reservation (a list of eligible towns by county is seen on page 4);
- 2. Not less than 80% of funds must be expended in Fairfield and New Haven Counties;
- 3. At least 50% of funds must be used for activities that benefit low-and moderate-income persons;
- 4. Funds cannot be used to benefit households above 120% AMI or for homes other than the primary residence;
- 5. The use of funds must meet at least one of three national objectives.

Table 1 outlines the proposed allocation of funds by eligible activity category.

Table 1: Allocation by Eligible Activity Category

Activity	Allocation	% of Total
Owner-Occupied Rehabilitation	30,000,000	41.8%
Multi-family (Rehabilitation & New Construction)	26,000,000	36.2%
Infrastructure	4,000,000	5.6%
Public Facilities	2,200,000	3.1%
Economic Revitalization	4,000,000	5.6%
Mitigation	-	0.0%
Administration	3,591,000	5.0%
Planning	2,029,000	2.8%
Total	71,820,000	}

In order to identify the needs of eligible towns, DOH reviewed data from various sources including survey results from each jurisdiction as well as specific requests. The total unmet need is summarized in Table 2. DOH will use a selective application process when possible to determine actual allocations.

Table 2: Summary of Unmet Need

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-	Fairfield	New Haven	New London	Middlesex		
Activity	County	County	County	County	State	Total
Owner-Occupied Rehabilitation	39,329,391	6,186,325	9,757,906	1,863,561		57,137,183
Multi-family New Construction	147,000,000		ι	1	1	147,000,000
Multi-family Rehabilitation	482,500	425,000	l	1	ı	907,500
Infrastructure	8,207,406	13,711,897	3	248,550	1	22,167,853
Public Facilities	14,076,234	17,038,773	3,350,000	62,300		34,527,307
Economic Revitalization	5,385,000	4,310,000	102,888		1,000,000	10,797,888
Mitigation	12,058,301	10,538,985		4,000	2,000,000	24,601,286
Total	226,538,832	52,210,980	13,210,794	2,178,411	3,000,000	297,139,017

Table 3: Eligible CDBG-DR Towns by County

Fairfield County	New Haven County	New London County	Middlesex County
Bethel	Ansonia	Bozrah	Chester
Bridgeport	Beacon Falls	Colchester	Clinton
Brookfield	Bethany	East Lyme	Cromwell
Danbury	Branford	Franklin	Deep River
Darien	Cheshire	Griswold	Durham
Easton	Derby	Groton	East Haddam
Fairfield	East Haven	Lebanon	East Hampton
Greenwich	Guilford	Ledyard	Essex
Monroe	Hamden	Lisbon	Haddam
New Canaan	Madison	Lyme	Killingworth
New Fairfield	Meriden	Montville	Middlefield
Newtown	Middlebury	New London	Middletown
Norwalk	Milford	North Stonington	Old Saybrook
Shelton	Naugatuck	Norwich	Portland
Sherman	New Haven	Old Lyme	Westbrook
Stamford	North Branford	Preston	
Stratford	North Haven	Salem	
Redding	Orange	Sprague	
Ridgefield	Oxford	Stonington	
Trumbull	Prospect	Voluntown	
Weston	Seymour	Waterford	
Westport	Southbury		The Committee of C
Wilton	Wallingford		
	Waterbury		
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	Wolcott		AND THE CONTRACT OF THE CONTRA
	Woodbridge		